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APR 21 2005

In re Application of :  
Terence Wallace :  
Application No. 09/932,065 :  
Filed: August 17, 2001 :  
Attorney Docket Number: 11596/2 :  
Title: DEVICE AND METHOD FOR :  
PREVENTING THE THEFT OR LOSS OF A :  
PERSONAL ITEM :

**OFFICE OF PETITIONS**

**DECISION ON PETITION**

This is a decision on the petition filed October 25, 2004, pursuant to 37 C.F.R. §1.137(a)<sup>1</sup>, to revive the above-identified application.

The above-identified application became abandoned for failure to reply within the meaning of 37 CFR §1.113 in a timely manner to the final Office action mailed December 30, 2003, which set a shortened statutory period for reply of three (3) months. On March 30, 2004 an after-final amendment was received, and an advisory action was mailed April 29, 2004. No extensions of time under the provisions of 37 CFR §1.136(a) were obtained. Accordingly, the above-identified application became abandoned on March 31, 2004. A Notice of Abandonment was mailed October 1, 2004.

<sup>1</sup> A grantable petition pursuant to 37 CFR §1.137(a) must be accompanied by:

- (1) the required reply (in a nonprovisional application abandoned for failure to prosecute, the required reply may be met by the filing of a continuing application; in an application or patent, abandoned or lapsed for failure to pay the issue fee or any portion thereof, the required reply must be the payment of the issue fee or any outstanding balance thereof);
- (2) the petition fee;
- (3) a showing to the satisfaction of the Commissioner that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to this paragraph was unavoidable, and;
- (4) a terminal disclaimer (and fee as set forth in §1.20(d)) required pursuant to paragraph (d) of this section.

With the present petition, Petitioner has submitted a statement of facts from the attorney of record, an RCE as well as the associated fee, and a terminal disclaimer. It is noted that a terminal disclaimer is not required, since this application was submitted after June 8, 1995<sup>2</sup>.

Petitioner has met requirements (1) and (2) above. Requirement (4) does not apply.

Regarding the third requirement above, the showing of record is not sufficient to establish to the satisfaction of the Commissioner that the delay was unavoidable within the meaning of 37 CFR §1.137(a).

**The Commissioner is responsible for determining the standard for unavoidable delay and for applying that standard**

35 USC §133 states, "Upon failure of the applicant to prosecute the application within six months after any action therein, of which notice has been given or mailed to the applicant, or within such shorter time, not less than thirty days, as fixed by the Commissioner in such action, the application shall be regarded as abandoned by the parties thereto, unless it be shown to the satisfaction of the Commissioner that such delay was unavoidable." (emphasis added)

"In the specialized field of patent law, ... the Commissioner of Patent and Trademarks is primarily responsible for the application and enforcement of the various narrow and technical statutory and regulatory provisions. His interpretation of those provisions is entitled to considerable deference."<sup>3</sup>

**The standard**

"[T]he question of whether an applicant's delay in prosecuting an application was unavoidable must be decided on a case-by-case basis, taking all of the facts and circumstances into account."<sup>4</sup>

The general question asked by the Office is: "Did petitioner act as a reasonable and prudent person in relation to his most important business?"<sup>5</sup>

Nonawareness of a PTO rule will not constitute unavoidable delay<sup>6</sup>

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<sup>2</sup> See 37 C.F.R. 1.137(d)(1).

<sup>3</sup> Rydeen v. Quigg, 748 F.Supp. 900, 904, 16 U.S.P.Q.2d (BNA)1876 (D.D.C. 1990), aff'd without opinion (Rule 36), 937 F.2d 623 (Fed. Cir. 1991) (citing Morganroth v. Quigg, 885 F.2d 843, 848, 12 U.S.P.Q.2d (BNA) 1125 (Fed. Cir. 1989); Ethicon, Inc. v. Quigg, 849 F.2d 1422, 1425, 7 U.S.P.Q.2d (BNA) 1152 (Fed. Cir. 1988) ("an agency' interpretation of a statute it administers is entitled to deference"); see also Chevron U.S.A. Inc. v. Natural Resources Defense Council, Inc., 467 U.S. 837, 844, 81 L. Ed. 694, 104 S. Ct. 2778 (1984) ("if the statute is silent or ambiguous with respect to the specific issue, the question for the court is whether the agency's answer is based on a permissible construction of the statute."

<sup>4</sup> Id.

<sup>5</sup> See In re Mattulah, 38 App. D.C. 497 (D.C. Cir. 1912).

The burden of showing the cause of the delay is on the person seeking to revive the application<sup>7</sup>.

A delay caused by an applicant's lack of knowledge or improper application of the patent statute, rules of practice, or the MPEP is not rendered "unavoidable" due to either the applicant's reliance upon oral advice from USPTO employees or the USPTO's failure to advise the applicant to take corrective action<sup>8</sup>.

Decisions on reviving abandoned applications on the basis of "unavoidable" delay have adopted the reasonably prudent person standard in determining if the delay was unavoidable:

The word 'unavoidable' . . . is applicable to ordinary human affairs, and requires no more or greater care or diligence than is generally used and observed by prudent and careful men in relation to their most important business. It permits them in the exercise of this care to rely upon the ordinary and trustworthy agencies of mail and telegraph, worthy and reliable employees, and such other means and instrumentalities as are usually employed in such important business. If unexpectedly, or through the unforeseen fault or imperfection of these agencies and instrumentalities, there occurs a failure, it may properly be said to be unavoidable, all other conditions of promptness in its rectification being present<sup>9</sup>.

In addition, decisions on revival are made on a "case-by-case basis, taking all the facts and circumstances into account"<sup>10</sup>.

A petition cannot be granted where a petitioner has failed to meet his or her burden of establishing that the delay was "unavoidable"<sup>11</sup>.

### **The regulations relevant to the abandonment of this application**

37 C.F.R. § 1.113 Final rejection or action.

(a) On the second or any subsequent examination or consideration by the examiner the rejection or other action may be made final, whereupon applicants, or for ex parte reexaminations filed under § 1.510, patent owner's reply is limited to appeal in the case of rejection of any claim (§ 1.191), or to amendment as specified in § 1.114 or § 1.116. Petition may be taken to the Director in the case of objections or requirements not involved in the rejection of any claim (§ 1.181). Reply to a final rejection or action must comply with § 1.114 or paragraph (c) of this section. For final actions in an inter partes reexamination filed under § 1.913, see § 1.953.

(b) In making such final rejection, the examiner shall repeat or state all grounds of rejection then considered applicable to the claims in the application, clearly stating the reasons in support thereof.

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<sup>6</sup> See Smith v. Mossinghoff, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (Fed. Cir. 1982) (citing Potter v. Dann, 201 U.S.P.Q. (BNA) 574 (D.D.C. 1978) for the proposition that counsel's nonawareness of PTO rules does not constitute "unavoidable" delay)). Although court decisions have only addressed the issue of lack of knowledge of an attorney, there is no reason to expect a different result due to lack of knowledge on the part of a pro se (one who prosecutes on his own) applicant. It would be inequitable for a court to determine that a client who spends his hard earned money on an attorney who happens not to know a specific rule should be held to a higher standard than a pro se applicant who makes (or is forced to make) the decision to file the application without the assistance of counsel.

<sup>7</sup> Id.

<sup>8</sup> See In re Sivertz, 227 USPQ 255, 256 (Comm'r Pat. 1985).

<sup>9</sup> In re Mattullath, 38 App. D.C. at (1912)(quoting Ex parte Pratt, 1887 Dec. Comm'r Pat. 31, 32-33 (1887)); see also Winkler v. Ladd, 221 F. Supp. 550, 552, 138 USPQ 666, 167-68 (D.D.C. 1963), aff'd, 143 USPQ 172 (D.C. Cir. 1963); Ex parte Henrich, 1913 Dec. Comm'r Pat. 139, 141 (1913).

<sup>10</sup> Smith v. Mossinghoff, 671 F.2d at 538; 213 USPQ at 982.

<sup>11</sup> Haines, 673 F. Supp. at 314, 316-17; 5 USPQ2d at 1131-32.

(c) Reply to a final rejection or action must include cancellation of, or appeal from the rejection of, each rejected claim. If any claim stands allowed, the reply to a final rejection or action must comply with any requirements or objections as to form.

[24 FR 10332, Dec. 22, 1959; 46 FR 29182, May 29, 1981; revised, 62 FR 53131, Oct. 10, 1997, effective Dec. 1, 1997; revised, 65 FR 14865, Mar. 20, 2000, effective May 29, 2000 (adopted as final, 65 FR 50092, Aug. 16, 2000); para. (a) revised, 65 FR 76756, Dec. 7, 2000, effective Feb. 5, 2001; para. (a) revised, 68 FR 14332, Mar. 25, 2003, effective May 1, 2003]

37 C.F.R. § 1.135 Abandonment for failure to reply within time period.

- (a) If an applicant of a patent application fails to reply within the time period provided under § 1.134 and § 1.136, the application will become abandoned unless an Office action indicates otherwise.
- (b) Prosecution of an application to save it from abandonment pursuant to paragraph (a) of this section must include such complete and proper reply as the condition of the application may require. The admission of, or refusal to admit, any amendment after final rejection or any amendment not responsive to the last action, or any related proceedings, will not operate to save the application from abandonment.
- (c) When reply by the applicant is a bona fide attempt to advance the application to final action, and is substantially a complete reply to the non-final Office action, but consideration of some matter or compliance with some requirement has been inadvertently omitted, applicant may be given a new time period for reply under § 1.134 to supply the omission.

[Paras. (a), (b), and (c), 47 FR 41276, Sept. 17, 1982, effective Oct. 1, 1982; para. (d) deleted, 49 FR 555, Jan. 4, 1984, effective Apr. 1, 1984; revised, 62 FR 53131, Oct. 10, 1997, effective Dec. 1, 1997]

37 C.F.R. § 1.136 Extensions of time.

- (a)
  - (1) If an applicant is required to reply within a nonstatutory or shortened statutory time period, applicant may extend the time period for reply up to the earlier of the expiration of any maximum period set by statute or five months after the time period set for reply, if a petition for an extension of time and the fee set in § 1.17(a) are filed, unless:
    - (i) Applicant is notified otherwise in an Office action;
    - (ii) The reply is a reply brief submitted pursuant to § 1.193(b);
    - (iii) The reply is a request for an oral hearing submitted pursuant to § 1.194(b);
    - (iv) The reply is to a decision by the Board of Patent Appeals and Interferences pursuant to § 1.196, § 1.197 or § 1.304; or
    - (v) The application is involved in an interference declared pursuant to § 1.611.
  - (2) The date on which the petition and the fee have been filed is the date for purposes of determining the period of extension and the corresponding amount of the fee. The expiration of the time period is determined by the amount of the fee paid. A reply must be filed prior to the expiration of the period of extension to avoid abandonment of the application (§ 1.135), but in no situation may an applicant reply later than the maximum time period set by statute, or be granted an extension of time under paragraph (b) of this section when the provisions of this paragraph are available. See § 1.136(b) for extensions of time relating to proceedings pursuant to §§ 1.193(b), 1.194, 1.196 or 1.197; § 1.304 for extensions of time to appeal to the U.S. Court of Appeals for the Federal Circuit or to commence a civil action; § 1.550(c) for extensions of time in ex parte reexamination proceedings, § 1.956 for extensions of time in inter partes reexamination proceedings; and § 1.645 for extensions of time in interference proceedings.
  - (3) A written request may be submitted in an application that is an authorization to treat any concurrent or future reply, requiring a petition for an extension of time under this paragraph for its timely submission, as incorporating a petition for extension of time for the appropriate length of time. An authorization to charge all required fees, fees under § 1.17, or all required extension of time fees will be treated as a constructive petition for an extension of time in any concurrent or future reply requiring a petition for an extension of time under this paragraph for its timely submission. Submission of the fee set forth in § 1.17(a) will also be treated as a constructive petition for an extension of time in any concurrent reply requiring a petition for an extension of time under this paragraph for its timely submission.
  - (b) When a reply cannot be filed within the time period set for such reply and the provisions of paragraph (a) of this section are not available, the period for reply will be extended only for sufficient cause and for a reasonable time

specified. Any request for an extension of time under this paragraph must be filed on or before the day on which such reply is due, but the mere filing of such a request will not affect any extension under this paragraph. In no situation can any extension carry the date on which reply is due beyond the maximum time period set by statute. See § 1.304 for extensions of time to appeal to the U.S. Court of Appeals for the Federal Circuit or to commence a civil action; § 1.645 for extensions of time in interference proceedings; § 1.550(c) for extensions of time in ex parte reexamination proceedings; and § 1.956 for extensions of time in inter partes reexamination proceedings.

(c) If an applicant is notified in a "Notice of Allowability" that an application is otherwise in condition for allowance, the following time periods are not extendable if set in the "Notice of Allowability" or in an Office action having a mail date on or after the mail date of the "Notice of Allowability":

- (1) The period for submitting an oath or declaration in compliance with § 1.63;
- (2) The period for submitting formal drawings set under § 1.85(c); and
- (3) The period for making a deposit set under § 1.809(c).

[47 FR 41277, Sept. 17, 1982, effective Oct. 1, 1982; 49 FR 555, Jan. 4, 1984, effective Apr. 1, 1984; 49 FR 48416, Dec. 12, 1984, effective Feb. 11, 1985; 54 FR 29551, July 13, 1989, effective Aug. 20, 1989; para. (a) revised, 58 FR 54504, Oct. 22, 1993, effective Jan. 3, 1994; revised, 62 FR 53131, Oct. 10, 1997, effective Dec. 1, 1997; para. (c) added, 65 FR 54604, Sept. 8, 2000, effective Nov. 7, 2000; paras. (a)(2) and (b) revised, 65 FR 76756, Dec. 7, 2000, effective Feb. 5, 2001; para. (c) revised, 66 FR 21090, Apr. 27, 2001, effective May 29, 2001]

### **Application of the standard to the current facts and circumstances**

With the instant petition, Petitioner has set forth that the Applicant received the advisory action of April 29, 2004, and intended to submit an RCE, but was precluded from doing so due to financial difficulties and a death in the family.

The statement of facts was submitted in order to establish that the Applicant's delay in timely submitting the RCE was unavoidable. It is noted that the statement of facts has been made not by the Applicant, but rather by his attorney. This is not acceptable, as the statement of facts must be signed, where at all possible, by a person having firsthand knowledge of the facts recited therein. Statements based on hearsay will not normally be accepted.

Petitioner should be aware that petitions filed under 37 C.F.R. §1.137(a) (where the cause of the abandonment is characterized as "unavoidable") have a very stringent standard associated with them, and carry a high bar of proof which must be submitted to show that the entire period of delay was truly unavoidable. As such, a delay caused by an applicant's inexperience with the patent system is not rendered "unavoidable."

### **The Issue of Financial Difficulty:**

Petitioner has asserted financial difficulty in that the inventor lacked the funds necessary to submit the RCE until the filing of this petition. A showing of "unavoidable" delay based upon financial difficulty is very stringent, in that in order for a petitioner to demonstrate that he lacked the financial resources to pay the fee(s) associated with patent prosecution, substantial documentation must be provided. Such a showing must be supported by a **complete and thorough** showing of his financial condition during the entire period between March 31, 2004 and October 25, 2004, including income, expenses, tax return statements, bank records, assets, credit and obligations, which made the delay in payment of the fee associated with the filing of

an RCE unavoidable. Petitioner should provide copies of all documents or records pertaining to each of these so as to confirm the financial difficulty.

Petitioner is reminded that the period of delay with which he must be concerned is the *entire* period of delay in filing the required reply, from the due date for the reply up until the filing of a grantable petition.

The Issue of a death in the family:

As stated above, the showing required under §1.137(a) is extremely exacting. Petitioner has asserted that a death in the family prevented him from submitting the fee associated with the filing of an RCE for almost 7 months. Such a delay is not "unavoidable" within the meaning of §1.137(a). It is certainly understandable that the passing of a family member can take precedence over all other matters. However, this failure to treat the instant application as petitioner's most important business constitutes a showing of preoccupation with other matters. Therefore, an adequate showing of "unavoidable" delay is precluded<sup>12</sup>.

**Conclusion**

For these reasons, the petition under 37 C.F.R. §1.137(a) must be **DISMISSED**.

**Alternate venue**

Petitioner may also wish to consider filing a petition under the unintentional standard, 37 CFR §1.137(b)<sup>13</sup>. Petitioner should be made aware that although the surcharge is significantly higher (\$750 for a small entity), the standard associated with a petition filed under this section is far less stringent than the standard associated with a delay asserted to be "unavoidable". A form for this petition may be located at <http://www.uspto.gov/web/forms/sb0064.pdf>

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<sup>12</sup> In Smith v. Diamond, the Court held that an attorney's preoccupation with other matters that took precedence over

responding to the dismissal of the petition mailed December 16, 1986 in this case does not justify a lack of diligence in filing the renewed petition until March 8, 1988. 209 U.S.P.Q. 1091 (D.D.C. 1981). Likewise, a delay was not found to be unavoidable where the petitioner cited a heavy workload by the attorney handling the petition in the present application as being a factor in causing the delay. In re Takeo, 17 U.S.P.Q. 2d (BNA) 1155 (Comm'r Pat. & Trademarks Feb. 27, 1990).

<sup>13</sup> A grantable petition pursuant to 37 CFR 1.137(b) must be accompanied by:

- (1) The reply required to the outstanding Office action or notice, unless previously filed;
- (2) The petition fee as set forth in § 1.17(m);
- (3) A statement that the entire delay in filing the required reply from the due date for the reply until the filing of a grantable petition pursuant to this paragraph was unintentional. The Commissioner may require additional information where there is a question whether the delay was unintentional, and;
- (4) Any terminal disclaimer (and fee as set forth in § 1.20(d)) required pursuant to paragraph (d) of this section.

## Response

Any reply must be submitted within **TWO (2) MONTHS** from the mail date of this decision. Extensions of time under 37 C.F.R. §1.136(a) are permitted. The reply should include a cover letter entitled "Renewed Petition Under 37 C.F.R. 1.137(a) (or 1.137(b), if applicable)". This is not a final agency action within the meaning of 5 U.S.C 704.

The renewed petition should indicate in a prominent manner that the attorney handling this matter is Paul Shanoski.

To help assure prompt and proper attention to your response, please see Request for Alert Concerning Submitted Petitions, 1282 Official Gazette (May 18, 2004) for further information on how to assist the Office in delivering your submission to the correct location. The Petitioner may wish to consider telephoning the undersigned one month after the submission is made to confirm that the documents were properly delivered.

Any renewed petition may be submitted by mail<sup>14</sup>, hand-delivery<sup>15</sup>, or facsimile<sup>16</sup>.

The Change of Correspondence Address has been entered and made of record.

**The application file will be retained in the Office of Petitions for two (2) months.**

The general phone number for the Office of Petitions which should be used for status requests is (571) 272-3282. Telephone inquiries regarding *this decision* should be directed to the undersigned at (571) 272-3225.



**Paul Shanoski**  
Senior Attorney  
Office of Petitions  
United States Patent and Trademark Office

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<sup>14</sup> Mail Stop Petition, Commissioner for Patents, United States Patent and Trademark Office, P.O. Box 1450, Alexandria, VA, 22313-1450.

<sup>15</sup> Customer Window, Randolph Building, 401 Dulany Street, Alexandria, VA, 22314.

<sup>16</sup> (703) 872-9306 - please note this is a central facsimile number, and as such, there will be a delay in the delivery of the facsimile to the undersigned, which could be as much as one month.